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State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

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Division Director

Inspection Report

Minerals Regulatory Program

Report Date June 30, 2006

Supervisor

Mine Name: United Stone

Operator Name: United Stone and Design

Inspector(s): Paul Baker

Other Participants: None

Mine Status: Active

Permit number: Unpermitted,
assigned M0470079

Inspection Date: June 28, 2006

Time: 5:15-6:45 PM

Weather: Mostly clear, 90's

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

The stone from these quarries is distinctive, and when I saw a load on US 40 that looked like it had come from this area, I decided to investigate.

Inspection Summary:

1. Permits, Revisions, Transfer, Bonds

I first found disturbance in this area on July 8, 2004. I began talking with the operator trying to get the sites reclaimed or to obtain a Notice of Intention to Commence Small Mining Operations (NOI). Most recently, the operator called in about late May 2006 and indicated he was going to submit an NOI.

Some of the disturbances I found, as discussed below, are recent, clearly not from two years ago. Because the operator has not responded to my requests to have these sites permitted or to reclaim, and because further disturbance is being created, I decided enforcement action is necessary. I will be issuing cessation order MC2006-03-07-01 for conducting mining operations without first submitting a Notice of Intention and a reclamation surety. I am not certain whether the total of all disturbances is greater or less than five acres.

5. Roads (maintenance, surfacing, dust control, safety)

Every site I have found has a road leading to it that appears to have been made by the operator. Most of these are two-track roads where the operator has driven cross country, but some, such as the one

leading to the site shown in Photos 4 and 5, are more substantial. All of these roads would require some degree of reclamation. Some would probably come back on their own if further vehicle access was prohibited.

The more heavily used roads are extremely dusty.

12. Other

I am uncertain exactly how much disturbance the operator has created. This was my fifth trip to the area, and each time I have found disturbances I did not previously notice. Most of them are on the east side of Johnson Draw, but I have now found two on the west side. Each individual disturbance is relatively small, about 1/4-2/3 acre, which totals 2.38 acres for these disturbances (see attached map). There are at least five additional areas from which stone has been taken, and the total disturbance not including roads could be over five acres.

The roads shown on the map total 9983 feet or about 1.9 miles, and assuming an average width of 10 feet, disturbances from roads is 2.29 acres. The actual area disturbed by roads is greater than this figure.

As close as I can determine, the operator uses a forklift to lift stone from the ground, then the stone is placed on pallets. The stone is near the surface, so there is generally not a large amount of disturbance.

The site shown in Photo4 has been disturbed very recently.

In addition to the areas where stone has been lifted from the ground with a forklift, the operator has done a lot of hand collecting in the area. This stone is loaded by hand on to pallets, then it is loaded on trucks using a forklift.

Conclusions and Recommendations:

The operator needs to submit a Notice of Intention for those areas where mechanized earth moving equipment has been used to extract rock. The definition of "mining operations" in the Mined Land Reclamation Act includes "on-site transportation." This means roads that are used to access these sites must be included in the disturbed area and in the reclamation bond.

The Notice needs to include a map showing the locations of all the areas the operator has disturbed. This is a very remote location, and the sites are scattered.

Inspector's Signature

Re B RU

Date:

7/3/06

Directions to Site:

It would be difficult to give precise directions to every site, and the roads change frequently because of oil and gas well drilling activity in the area. To get to the general area, travel down the Seep Ridge Road south from Ouray then head southwest into Buck Canyon. Go northwest for

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about two miles along Willow Creek, then head southwest. About two miles after passing through Agency Draw, there is a fork in the road. Take the right fork. This road travels along a bench above a canyon. Periodically, there are two-track roads leading to the canyon rim where the operator has been digging stone or collecting it by hand.

I have found two disturbances on the west side of the mountain separating the Willow Creek and Hill Creek drainages. Take the Johnson Draw road west toward Hill Creek. The attached map shows the locations of the disturbances I have found.

PBB:pb

cc: Justin Farley, United Stone

Attachment: GPS & Photos

ATTACHMENT

Photographs

M0470079 (Unpermitted), United Stone and Design

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Photo 1. This is the first disturbance I discovered two years ago. It has not been reclaimed, but the operator has removed palletized stone that was being stored here.



Photo 2. Another of the disturbances.



Photo 3. View from a distance of another disturbance.



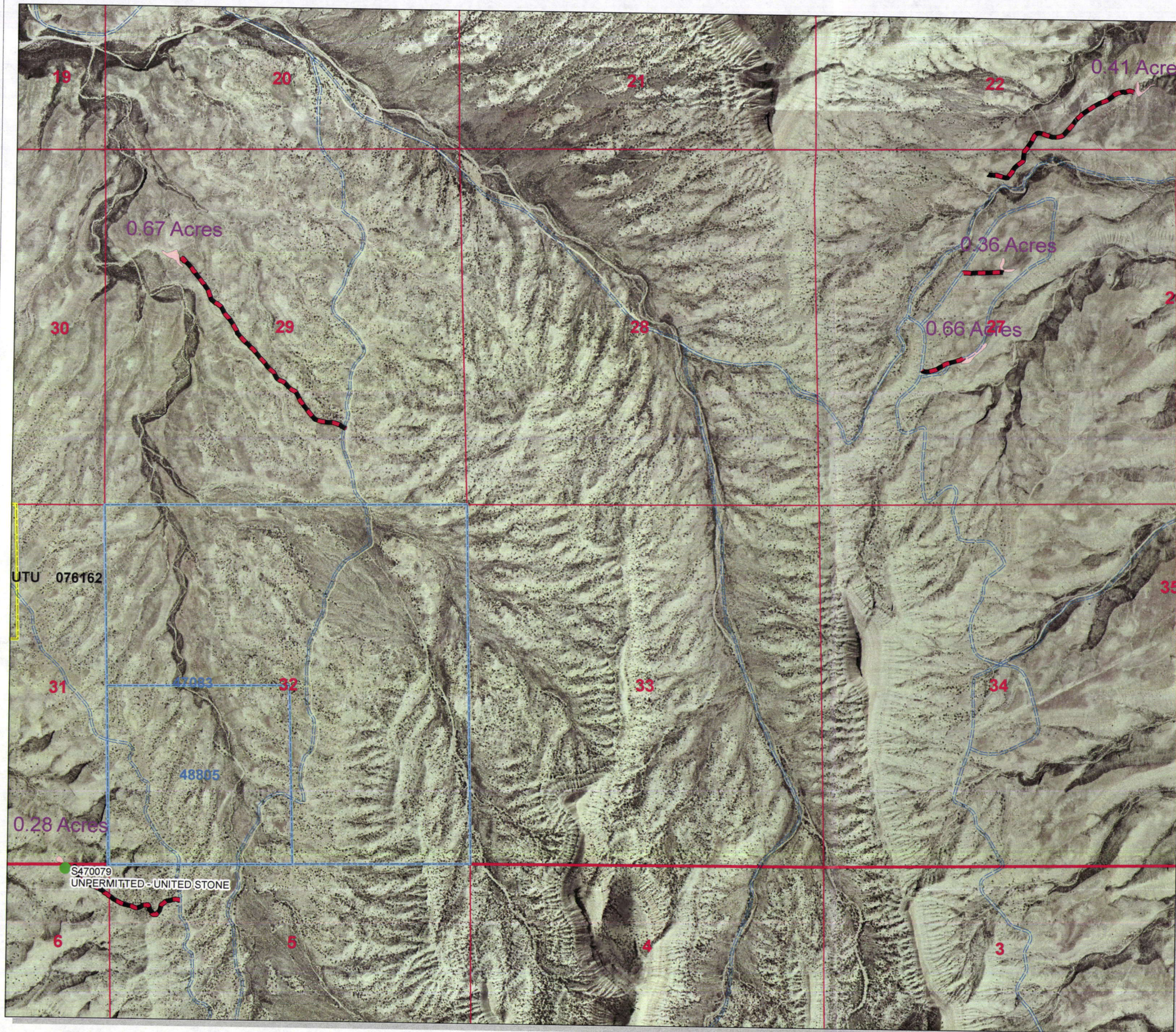
Photo 4. This activity is very recent, probably within the past few days.



Photo 5. This shows the operator's forklift and pallets of stone typical of what the operator has collected by hand.



Photo 6. A newly-discovered disturbance on the west side of Johnson Draw.



Mine Number: S0470079
Mine Name: United Stone
Township 12 S Range 20 E Section 31 SLBM
Township 13 S Range 20 E Section 06 SLBM

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 Map Produced by DKS

Acres Disturbed	2.38
Acres Regraded	0
Acres Seeded	0
Road Acres Disturbed	0

Total Acres Disturbed	2.38
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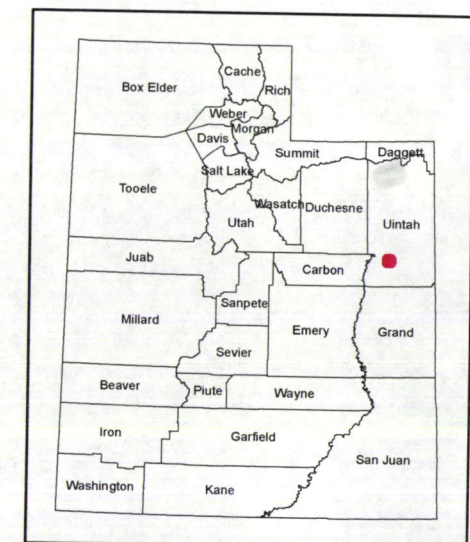
Acres Released	0
Acres Excluded	0
Acres PreExisting	0
Acres Prelaw	0

Legend

All items symbolized in legend may not appear on map

- | | |
|-----------------|---|
| County Boundary | Township or range Line |
| Access | Township or range line: location doubtful |
| Mine | Section line |
| NonMine | Section line: location doubtful |
| Other | Disturbed |
| Interstate | Regraded |
| US Route | Seeded |
| State Route | Released |
| Primary Route | Excluded |
| Secondary Route | PreExisting |
| Main Dirt Road | Prelaw |
| Unimproved Road | Bond Area |
| Interchange | SITLA Mineral Leases |
| Trail | BLMSaleableMinerals |
| | CommunityPit |

DOQ imagery date 2004



0 625 1,250
 Feet

1:18,500 1 inch equals 1,542 feet
 Verify Scale

Dept. of Natural Resources
 Division of Oil, Gas, and Mining
 Mineral Mines Program

Different data sources and input scales
 may cause misalignment of data layers.
 This product may not meet DOGM
 standards for accuracy and content.